

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6628**

**BILL NUMBER:** SB 356

**NOTE PREPARED:** Dec 31, 2010

**BILL AMENDED:**

**SUBJECT:** LOIT for Public Safety.

**FIRST AUTHOR:** Sen. Broden

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that in all counties the maximum local option income tax (LOIT) rate for public safety is 0.5%. (Under current law, the maximum rate is 0.5% for Marion County and 0.25% for all other counties.)

It provides that in all counties other than Marion County, the LOIT for public safety may be imposed only if the county has also imposed any combination of the levy freeze LOIT and the property tax relief LOIT to match that part of the public safety rate that does not exceed 0.25%.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** The Department of State Revenue (DOR) and the State Budget Agency (SBA) would be required to adjust certified distributions if tax rate increases are adopted by county fiscal bodies. The DOR and the SBA should be able to carry out this provision within their existing resources.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** If the counties currently imposing LOIT for public safety increase their rates to equal 0.5%, it is estimated that approximately \$67 M in additional revenue could be generated for these counties. Currently, 20 counties are imposing LOIT for public safety.

There are also 8 counties that meet the bill's requirements for being eligible to adopt LOIT for public safety,

but have not imposed this additional tax rate. If these counties impose LOIT for public safety at a rate of 0.5%, it is estimated that about \$21 M in additional revenue could be generated.

Effective dates for new or increased LOIT rates are provided below.

<b>Adoption Date</b>	<b>Effective Date</b>
January 1 - September 30	October 1
October 1 - October 15	November 1
October 16 - October 31	December 1

**State Agencies Affected:** DOR; SBA.

**Local Agencies Affected:** Counties.

**Information Sources:**

**Fiscal Analyst:** Jessica Harmon, 317-232-9854.